GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:3365
ANSWERED ON:10.08.2015
Sale of Properties of Air India
Hari Shri G.;K. Shri Parasuraman;Kothapalli Smt. Geetha;Mullappally Shri Ramachandran;Owaisi Shri Asaduddin;Roy Prof. Saugata

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India proposes to sell and lease its properties in various States/ UTs of the country especially in Delhi, Mumbai, Chennai and Coimbatore;

(b) if so, the details thereof along with the reasons therefor and the total land/ properties proposed to be sold by Air India;

(c) whether the Public Undertakings will get the priority to acquire the properties and if so, the details thereof;

(d) whether there is any delay in getting approval for sale of these properties of Air India and if so, the details thereof and the reasons therefor; and

(e) the estimated amount of revenue earned as a result of selling and leasing of the said properties along with the extent to which it is likely to help to reduce Air India debt burden?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Dr Mahesh Sharma)

(a) : Yes, Madam.

(b) to (e) : As per Turn Around Plan/Financial Re-Structuring plan approved by the Cabinet Committee on Economic Affairs (CCEA), Air
India is required to monetize its assets and generate Rs.5000 crore over a period of 10 years by way of sale, leasing or developing an asset as a joint venture.Specific approval of the cabinet is necessary for each case of sale or long term lease of land belonging to Govt. or Govt. controlled statuary authorities as per the instructions laid by Ministry of Finance.

Air India is in possession of some properties which are lying vacant and unused for a long time because of shifting of its offices to Airport
Terminal Bldg., City location and also as a result of stopping of its operation from such locations etc. Monetizing such properties by way of sale/ rent or to develop as a Joint Venture, to raise Non Operating Revenue, would help the company to retire its huge debts. Government has received proposals for monetisation of following properties from Air India:

1. Residential plot measuring 0.99 acres approx. at Pankaja Mill, Road, Coimbatore

2. Residential cum commercial Plot of Land measuring 1.33 acres approx. at Mount Road, Teynampet, Chennai.

3. 04 nos Flats measuring 2033 sq. ft. approx at Sterling Apartment, Mumbai.

The Government has drafted these proposals for the approval of the Cabinet. Air India has approached Govt./Public sector undertakings such as Income Tax Deptt., Service Tax Deptt., State Bank of India etc for leasing space in it"s office building at Nariman Point, Mumbai.The details of earnings of Air India from monetisation of assets are as under:

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Year Earning
14-15 - Rs 35.97. crores
15-16 - Rs 90.24 crores (Prov. Estimates)

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The revenue generated from monetisation will be utilized by Air India to reduce its debts, and improve its fiscal health.

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